REMARKS

Claims 1 – 5, 8 – 9, 12 – 14 and 16 – 19 are in the application. Claims 1, 16, and 19 are currently amended; claims 6, 7, 10, 11, 15, and 20 have been canceled; claims 2 – 5, 12 – 14, 17, and 18 remain unchanged from the original versions thereof. Claims 1, 16, and 19 are the independent claims herein.

No new matter has been added to the application as a result of the amendments submitted herewith.

Reconsideration and further examination are respectfully requested.

Claim Rejections – 35 USC § 101

Claims 1 – 5, 8, 9, and 12 – 14 were rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. This rejection is traversed.

Applicant respectfully submits that it is not fully agreed that "in order for a method claim to qualify as a patent eligible process under 35 USC 101, the process of the method claim must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing".

However, in an effort to advance prosecution of the present application, claim 1 is currently amended to relate to a "computer-implemented method" that includes "receiving, by a computer …"; "receiving, by the computer, …"; "automatically generating, by the computer, …"; "validating, by the computer, …", and "automatically determining, by the computer". Thus, it is clear that method claim 1 is at least tied to the also statutory class of a "computer". Applicant submits that the recitation of the "computer-implemented method" of claim 1 and the various operations provided by the computer are disclosed in the Specification at page 13, line 3 – page 14, line 19.

Applicant further respectfully submits that the recitation of the "computer-implemented method" of claim 1 and the various operations recited therein are not merely "insignificant extra-solution activity".

Therefore, Applicant submits claim 1, at least now, overcomes the rejection thereof under 35 USC 101. Additionally, it is submitted that claims 2 – 5, 8, 9, and 12 – 14 also overcome the rejection under 35 USC 101 for at least depending from claim 1. Accordingly, the reconsideration and withdrawal of the rejection of claims 2 – 5, 8, 9, and 12 – 14 under 35 USC 101 are respectfully requested, as is the allowance of same.

Claim Rejections – 35 USC § 112

Claims 1 – 5, 8 ,9, 12 – 14, and 16 – 19 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In reply thereto, Applicant notes claims 1, 16, and 19 are currently amended to consistently recite a "base return target". Accordingly, claims 1, 16, and 19 are not indefinite under 35 USC 112, second paragraph.

Therefore, reconsideration and withdrawal of the rejection of claims 1 – 5, 8 ,9, 12 – 14, and 16 – 19 under 35 USC 112, second paragraph are requested, as well as the allowance of same.

Claim Rejections – 35 USC § 103

Claims 1 – 5, 8, 9, 12 – 14, and 16 – 19 were rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,823,319 to Lynch et al., in view of U.S. Publication No. 2002/0082903 A1 to Yasuzawa and U.S. Publication No. 2002/0123960 to Ericksen and in further view of Official Notice. This rejection is traversed.

Applicant notes claim 1 relates to a computer-implemented method of generating return targets for potential real estate deals, including receiving, by a computer, prior real estate deal information from a prior deal data source; defining a rule-based pricing system based on an analysis of the received prior real estate deal information; determining a collateral type associated with a potential real estate deal; receiving, by the computer, supplemental deal information associated with the potential real estate deal; and automatically generating, by the computer, a base return target for the potential real estate deal based on applying the collateral type and the supplemental deal information to the rule-based pricing system, the base return target being at least one of: (i) a return on investment value, (ii) a net income value, (iii) an internal rate of return value, and (iv) a loan spread value. The method also includes identifying a risk mitigant associated with the potential real estate deal based on the supplemental deal information; identifying a risk adder associated with the potential real estate deal based on the supplemental deal information; validating, by the computer, the rule-based system with additional prior real estate deal information; and automatically determining, by the computer, a return target loan spread for the potential real estate deal by adjusting the generated base return target in accordance with the identified risk mitigant the identified risk adder; and the validated rule-based system. Claims 16 and 19 are worded similar to claim 1.

Applicant respectfully submits that the cited and relied upon combination of Lynch, Yasuzawa, Ericksen, and the alleged Official Notice fails to disclose or suggest the claimed aspects of automatically generating a base return target loan spread for the potential real estate deal based on applying the collateral type and the supplemental deal information to the rule-based pricing system and automatically determining a return target loan spread for the potential real estate deal by adjusting the generated base return target in accordance with the identified risk mitigant the identified risk adder.

Regarding the claimed aspect of “validating, by the computer, the rule-based system with additional prior real estate deal information”, the Office Action cites and relies on Lynch for disclosing an empirical database of compensation and/or repair strategies implemented, successful, and failed that may be built, and following the

building a score may replace assignment factors. That is, the empirical database may be used after it is built. The Office Action further states, "[I]nherent in maintaining an empirical database and generating risk-based pricing would be using the information to validate the rule-based system with prior to real estate deal information."

Applicant respectfully disagrees with the Office Action's whether Lynch discloses the claimed aspect of "validating, by the computer, the rule-based system with additional prior real estate deal information" on the basis that it has not been shown that it is necessary (i.e., inherent) that once defined the claimed rule-based pricing system be validated with the claimed "additional prior real estate deal information". That is, Applicant does not merely claim validating the rule-based system after the defining of the system but instead recites "validating it with additional prior real estate deal information". While Applicant maintains it is **not inherent** that a rule-based system be validated prior real estate deal information since doing so it not strictly necessary, it is clear that neither Lynch nor the Office Action disclose or argue the Lynch discloses or it is inherent that "the rule-based system" is validated "with additional prior real estate deal information" (emphasis added here).

Additionally, the supposed disclosure of the claimed "automatically determining, by the computer, a return target loan spread for the potential real estate deal by adjusting the generated base return target in accordance with the identified risk mitigant, the identified risk adder, and the validated rule-based system" by Lynch since Lynch does not operate to adjust the asserted/alleged by adjusting the generated base return target in accordance with the identified risk mitigant, the identified risk adder, and the validated rule-based system. This is true since the asserted/alleged base return target, as argued in the Office Action, is Lynch's "exclusionary rules" as cited on page 8, last paragraph – page 9, first paragraph of the Office Action. That is, any adjustments disclosed by Lynch "such as compensating rules 330 and/or repair rules 332" (Lynch, col. 10, ln. 26 – 27) are not applied to the asserted/alleged base return target. Therefore, Lynch fails to disclose that for which it was cited and relied upon for disclosing.

Applicant respectfully submits that the combination of Lynch, Yasuzawa, Ericksen, and the alleged Official Notice does not render claims 1, 16, and 19 obvious under 35 USC 103(a). This conclusion is based on the cited and relied upon Lynch failing to disclose that for which it was purported to disclose/teach. Furthermore, the coming of Lynch with Yasuzawa, Ericksen, and the alleged Official Notice does not operate to compensate or otherwise correct the failings of Lynch or the combination of Lynch, Yasuzawa, Ericksen, and the alleged Official Notice.

Therefore, Applicant respectfully submits that the combination of Lynch, Yasuzawa, Ericksen, and the Official Notice fails to disclose or suggest claims 1, 16, and 19, configured and claimed by Applicant. Applicant submits that the cited references also fail to render the dependent claims 2 – 5, 7 – 14, 17, and 18 obvious. Thus, Applicant requests the reconsideration and withdrawal of the rejection under 35 USC 103(a).

CONCLUSION

Accordingly, Applicants respectfully request allowance of the pending claims. If any issues remain, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is kindly invited to contact the undersigned via telephone at (203) 972-5985.

Respectfully submitted,

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Date

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